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News Release

FOR IMMEDIATE RELEASE
Thursday, Jan. 31, 2008

Four sentenced in food stamp fraud

The owner, manager and two employees of a small St. Paul convenience store were recently sentenced for their roles in a scheme to fraudulently redeem food stamps for cash at 50 cents on the dollar, as well as allowing customers to use food stamp benefits for non-eligible items.

Anwar Sarama, 32, Bloomington, who purchased Twins Market and Meats in July 2006, was sentenced Jan. 31 by United States District Court Judge Ann Montgomery to 24 months in prison. Soud Salem, 46, Farmington, who managed the store since 2001, was sentenced Jan. 16 to 36 months in prison. One employee, Amjud Musleh, 28, Bloomington, was sentenced Jan. 29 to 18 months imprisonment. The three were indicted in July 2007 with one count of conspiracy to commit food stamp fraud, and according to their respective plea agreements, all three pleaded guilty to that charge.

The court also ordered the owner and manager to pay \$757,320.66 in restitution for the fraud and ordered employee Musleh to pay \$402,302.91 in restitution.

"I don't see his role as being minor," Judge Montgomery said regarding Anwar Sarama. "However, the sentence of 24 months is sufficient punishment, but not more than necessary under the circumstances."

One other employee, Amjud Sarama, 37, Bloomington, was sentenced Jan. 4 to one year probation for felony food stamp trafficking related to two transactions. The plea agreement stated that Amjud Sarama exchanged food stamps for cash and non-eligible items on March 12 and April 12, 2007.

The purpose of the conspiracy was to obtain money and property from the U.S. Department of Agriculture by means of materially false and fraudulent pretenses, representations and promises. The four processed fraudulent food stamp transactions by accepting food stamp benefits in exchange for ineligible items and discounted amounts of cash, knowing that such exchanges were prohibited.

On Aug. 11, 2006, Twins Market was authorized to receive food stamp benefits. Once redeemed, food stamp proceeds are paid to stores via electronic deposit. Both Anwar Sarama and Salem were signatories on Twins Market's bank account into which the food stamp benefits were directly deposited. Both Salem and Anwar Sarama used the money in the account to pay their personal bills and living expenses.

Between September 2006 and June 2007, Twins Market, a store with only approximately 960 square feet, redeemed approximately \$840,371 in food stamp benefits. Under Salem's management, the food stamp redemptions steadily increased, totaling more than \$100,000 per month. Under previous owners, between November 2001 and May 2004 the store had an average monthly food stamp redemption rate of approximately \$9,129. From June 2004 to July 2006, the average monthly food stamp redemption rate was approximately \$25,333, and from August 2006 to June 2007, the average monthly redemption rate was approximately \$76,526.

On July 10, 2007, a search warrant was executed at Salem's home. Officers seized bank receipts and an indictment against Salem's brother who was convicted in Ohio for similar conduct. The investigation also revealed that Salem was taking products from the store, including baby formula and cigars, and selling them to other stores, totaling in the thousands of dollars.

"Joint operations such as these work to not only bring people to justice for criminal acts, but also to bring peace back to the neighborhood," said Commander Dave Korus, of the St. Paul Police Department. "This store was a seat for criminal activity that can disrupt neighborhoods. By removing the core of the issue in that neighborhood, better citizen interaction at a lawful marketplace can occur. With that comes the sense of safety that all of our neighborhoods need."

This case is the result of an investigation by the U.S. Department of Agriculture, Office of Inspector General, the St. Paul Police Department, the Federal Bureau of Investigation, the Internal Revenue Service-Criminal Investigation Division and the Metro Gang Strike force. The case was prosecuted by Assistant U.S. Attorney LeeAnn K. Bell.